



HNB

PROSPECTUS

Debenture Issue 2014



HATTON NATIONAL BANK PLC



PROSPECTUS

AN INITIAL ISSUE OF THIRTY MILLION (30,000,000) SENIOR, UNSECURED, REDEEMABLE, RATED DEBENTURES AT THE FACE VALUE OF LKR 100/- EACH TO RAISE SRI LANKA RUPEES THREE BILLION (LKR 3,000,000,000/-)

WITH THE OPTION TO ISSUE A FURTHER TEN MILLION (10,000,000) OF THE SAID DEBENTURES BRINGING THE TOTAL RAISED UP TO SRI LANKA RUPEES FOUR BILLION (LKR 4,000,000,000/-) AT THE DISCRETION OF THE COMPANY IN THE EVENT OF AN OVERSUBSCRIPTION OF THE INITIAL ISSUE

TO BE LISTED ON THE COLOMBO STOCK EXCHANGE

Rated 'AA- (lka)' by Fitch Ratings Lanka Limited

ISSUE OPENS ON

04 December 2014

Managers to the Issue



Acuity Partners (Private) Limited
No. 53, Dharmapala Mawatha
Colombo 03, Sri Lanka
Tel: 011 2 206206

This Prospectus is dated 24 November 2014

The Colombo Stock Exchange (“CSE”) has taken reasonable care to ensure full and fair disclosure of information in this Prospectus. However, the CSE assumes no responsibility for the accuracy of the statements made, opinions expressed or reports included in this Prospectus. Moreover, the CSE does not regulate the pricing of the Debentures which is decided solely by the Issuer.

The delivery of this Prospectus shall not under any circumstance constitute a representation or create any implication or suggestion that there has been no material change in the affairs of the Bank since the date of this Prospectus.

If you are in any doubt regarding the contents of this document or if you require any clarification or advice in this regard, you should consult the Managers to the Issue, investment advisor, lawyer or any other professional advisor.

Responsibility for the Content of the Prospectus

This Prospectus has been prepared by Acuity Partners (Private) Limited (hereinafter referred to as 'Acuity') on behalf of Hatton National Bank PLC (hereinafter referred to as 'HNB' or the 'Bank'). HNB and its Directors confirm that to the best of their knowledge and belief this Prospectus contains all information regarding the Bank and Debentures offered herein which is material; such information is true and accurate in all material aspects and is not misleading in any material respect; any opinions, predictions or intentions expressed in this Prospectus on the part of the Bank are honestly held or made and are not misleading in any material respect; this Prospectus contains all material facts and presents them in a clear fashion in all material respects and all proper inquiries have been made to ascertain and to verify the foregoing. The Bank accepts responsibility for the information contained in this Prospectus.

No person has been sanctioned to make any representations not contained in this Prospectus in connection with this Offer for Subscription of the Bank's Debentures. If such representations are made, they must not be relied upon as having been authorised. Neither the delivery of this Prospectus nor any sale made in the Offering shall, under any circumstances, create an implication that there has not been any change in the facts set forth in this Prospectus or in the affairs of the Bank since the date of this Prospectus.

Investors should be informed that the value of investments can vary and that past performance is not necessarily indicative of future performance. In making such investment decisions, prospective investors must rely on their knowledge, perception together with their own examination and assessment on HNB and the terms and conditions of the Debentures issued including risks associated.

The delivery of this Prospectus shall not under any circumstance constitute a representation or create any implication or suggestion, that there has been no material change in the affairs of the Bank since the date of this Prospectus.

Registration of the Prospectus

A copy of this Prospectus has been registered with the Registrar General of Companies in Sri Lanka in accordance with the Companies Act No. 07 of 2007 (The "Companies Act")

Registration of the Prospectus in Jurisdictions Outside of Sri Lanka

This Prospectus has not been registered with any authority outside of Sri Lanka. Non-resident investors may be affected by the laws of the jurisdiction of their residence. Such investors are responsible to comply with the laws relevant to the country of residence and the laws of Sri Lanka, when making the investment.

Investment Considerations

It is important that this Prospectus is read carefully prior to making an investment decision. For information concerning certain risk factors, which should be considered by prospective investors, see 'Risks Related to the Debentures of HNB' in Section 5.17 of this Prospectus.

Forward Looking Statements

Any statements included in this Prospectus that are not statements of historical fact constitute 'Forward Looking Statements'. These can be identified by the use of forward looking terms such

as 'expect', 'anticipate', 'intend', 'may', 'plan to', 'believe', 'could' and similar terms or variations of such terms.

However, these words are not the exclusive means of identifying Forward Looking Statements. As such, all or any statements pertaining to expected financial position, business strategy, plans and prospects of the Bank are classified as Forward Looking Statements.

Such Forward Looking Statements involve known and unknown risks, uncertainties and other factors including but not limited to regulatory changes in the sectors in which the Bank operates and its ability to respond to them, the Bank's ability to successfully adapt to technological changes, exposure to market risks, general economic and fiscal policies of Sri Lanka, inflationary pressures, interest rate volatilities, the performance of financial markets both globally and locally, changes in domestic and foreign laws, regulation of taxes and changes in competition in the industry and further uncertainties that may or may not be in the control of the Bank.

Such factors may cause actual results, performance and achievements to materially differ from any future results, performance or achievements expressed or implied by Forward Looking Statements herein. Forward Looking Statements are also based on numerous assumptions regarding the Bank's present and future business strategies and the environment in which the Bank will operate in the future.

Given the risks and uncertainties that may cause the Bank's actual future results, performance or achievements to materially differ from that expected, expressed or implied by Forward Looking Statements in this Prospectus, investors are advised not to place sole reliance on such statements.

ISSUE AT A GLANCE

Instrument	Senior, Unsecured, Redeemable, Rated Debentures
Rating	AA- (Ika) by Fitch Ratings Lanka Limited
Number of Debentures to be Issued	An initial Issue of Thirty Million (30,000,000) Debentures with an option to issue up to a maximum of Forty Million (40,000,000) of said Debentures, at the discretion of the Issuer in the event of an oversubscription of the initial Issue
Aggregate Face Value of the Issue	LKR 3,000,000,000 (Rupees Three Billion) with the option to increase by a further LKR 1,000,000,000 (Rupees One Billion), totaling up to a maximum of LKR 4,000,000,000 (Rupees Four Billion)
Total Investment Value of the Issue	LKR 3,000,000,000 (Rupees Three Billion) with the option to increase by a further LKR 1,000,000,000 (Rupees One Billion), totaling up to a maximum of LKR 4,000,000,000 (Rupees Four Billion)
Face Value of each Debenture	LKR 100.00
Issue Price of each Debenture	LKR 100.00
Tenure of Debentures	Type A - 3 years (2014/2017) Type B - 5 years (2014/2019) Type C – 10 years (2014/2024)
Interest Rate	Type A - Fixed coupon rate of 6.88% p.a. payable semi-annually (AER – 7.00%) Type B - Fixed coupon rate of 7.75% p.a. payable semi-annually (AER – 7.90%) Type C - Fixed coupon rate of 8.33% p.a. payable semi-annually (AER – 8.50%)
Minimum subscription amount	Minimum subscription per Application is 100 Debentures (LKR 10,000/-) Applications exceeding the minimum subscription should be in multiples of 100 Debentures (LKR 10,000/)
Issue Opening Date	04 December 2014. However, Applications may be submitted forthwith
Issue Closing Date	23 December 2014 or such earlier date on which the initial 30,000,000 Debentures are fully subscribed, unless otherwise the Bank decides to keep the subscription open until a further 10,000,000 Debentures or part thereof as may be decided by the Bank are subscribed in terms of this Prospectus. (Refer section 5.15)

Basis of Allotment	75% of the issue value will receive preferential allotment and the remaining 25% would be allotted at the discretion of the Board of Directors in a fair manner within seven (7) Market Days from the date of closure
Taxation	Exempted from Withholding Tax and Corporate Income Tax based on current regulations
Method of Payment of Principal and Interest	<p>By cheque marked “Account Payee Only” or through an electronic fund transfer mechanism recognised by the banking system of Sri Lanka such as SLIPS and RTGS (arranged only at the expense of the investor). RTGS transfers however could be effected only for amounts over and above the maximum value that can be accommodated via SLIPS transfers.</p> <p>The first interest payment will be made only by cheques</p>

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1.0 CORPORATE INFORMATION

Name of Entity	Hatton National Bank PLC
Legal Form	A public limited Company incorporated on 5th March 1970 under the Laws of the Republic of Sri Lanka. The Bank was re-registered under the Companies Act No 7 of 2007 on 27th September 2007. It is a Licensed Commercial Bank under the Banking Act No 30 of 1988.
Registered Office & Head Office	Hatton National Bank PLC No. 479, T B Jayah Mawatha, P O Box 837, Colombo 10, Sri Lanka Tel: +94 (011) 266 4664, +94 (011) 266 2772, +94 (011) 476 4764 Fax: +94 (011) 266 2815, +94 (011) 266 2832
Board of Directors	Dr. Ranee Jayamaha (Chairperson) Mr. A J Alles (Managing Director/CEO) Ms. M A R C Cooray Dr. Willie W. Gamage Dr. L R Karunaratne Mr. L U D Fernando Mr. D T S H Mudalige Miss. D S C Jayawardena Mr. R S Captain Mr. A Cabraal
Board Secretary	Ms. K A L T Ranaweera Attorney-at-Law & Notary Public No. 479, T B Jayah Mawatha, P O Box 837, Colombo 10, Sri Lanka Tel: +94 (011) 266 1804(D) Fax: +94 (011) 266 2825

Auditors/Reporting Accountants	M/s Ernst & Young Chartered Accountants 201, De Saram Place Colombo 10 Tel: +94 (011) 2463500 Fax: +94 (011) 2697369
Credit rating agency	Fitch Ratings Lanka Ltd 15-04, East Tower World Trade Centre Colombo 01 Tel: +94 (011) 2541900 Fax: +94 (011) 2541903

2.0 RELEVANT PARTIES TO THE ISSUE

Lawyers to the Issue	HNB Legal Department Hatton National Bank PLC No. 479, T B Jayah Mawatha, P O Box 837, Colombo 10, Sri Lanka Tel: +94 (011) 266 4664 (G), +94 (011) 476 4764(G), +94(011) 266 1804 (D) Fax: +94 (011) 266 2831
Trustee to the Issue	Deutsche Bank AG, Colombo Branch No. 86 Galle Road, P O Box 314, Colombo 03, Sri Lanka Tel: +94 (011) 244 7062 Fax: +94 (011) 244 7067
Manager to the Issue	Acuity Partners (Private) Limited 7th Floor, Acuity House, No. 53, Dharmapala Mawatha, Colombo 03, Sri Lanka Tel: +94 (011) 2206206 (G), +94 (011) 2206212 (D) Fax: +94 (011) 243 7149
Registrar to the Issue	SSP Corporate Services (Pvt) Limited No. 101, Inner Flower Road, Colombo 3 Tel : +94(011) 2573894 Fax : +94 (011) 2573609
Banker to the Issue	Hatton National Bank PLC No. 479, T B Jayah Mawatha, P O Box 837, Colombo 10, Sri Lanka Tel: +94 (011) 266 4664, +94 (011) 266 2772, +94 (011) 476 4764 Fax: +94 (011) 266 2815, +94 (011) 266 2832
Auditor and reporting accountant to the issue	M/s Ernst & Young Chartered Accountants 201, De Saram Place Colombo 10 Tel: +94 (011) 2463500 Fax: +94 (011) 2697369

3.0 ABBREVIATIONS USED IN THE PROSPECTUS

AER	Annual Effective Rate
ATS	Automated Trading System of the Colombo Stock Exchange
AWPLR	Average Weighted Prime Lending Rate
CBSL	Central Bank of Sri Lanka
CDS	Central Depository Systems (Pvt) Limited
CSE	Colombo Stock Exchange
HNB/Company/Bank	Hatton National Bank PLC
LKR, Rupees	Sri Lankan Rupees
NIC	National Identity Card
POA	Power of Attorney
RTGS	Real Time Gross Settlement
SEC	Securities and Exchange Commission of Sri Lanka
SIA	Securities Investment Account
SLIPS	Sri Lanka Inter-bank payment System
USD	US Dollar

4.0 GLOSSARY OF TERMS RELATED TO THE ISSUE

Applicant/s	Any investor who submits an Application Form under this Prospectus
Anniversary	Period of 12 months commencing from the Date of Allotment in respect of the Debentures
Application Form / Application	The Application form that constitutes part of this Prospectus through which the investors may apply for the Debentures in issue
Board / Board of Directors / Directors	The Board of Directors of HNB
Closure Date	The date of closure of the subscription list as set out in Section 5.15 of this Prospectus
Date of Allotment	The date on which the Debentures will be allotted to the Debenture Holders which date will be notified to the Debenture Holders
Date of Redemption	<p>Third anniversary from the Date of Allotment for Type A, fifth anniversary from the Date of Allotment for Type B and tenth anniversary from the Date of Allotment for Type C or such earlier date on which the Debentures may become redeemable in accordance with the Trust Deed or such later date on which the Debentures may be redeemable in the circumstances set out in Clause 4.2 of the Trust Deed</p> <p>Debentures may be redeemed by the Bank prior to maturity in accordance with Clause 11.2 of the Trust Deed which provides for the Bank to prepay the Debentures before the Date of Redemption of the principal sum subject to the prior approval of the Debenture Holders of 3/4th of face value of the Debentures outstanding, at a price mutually agreed between the Bank and the Debenture Holders.</p>
Debenture Holder	The holder of Debentures in whose CDS account the Debentures are lodged as at the Entitlement Date
Debentures	The Senior, Unsecured, Redeemable, Rated Debentures to be issued pursuant to this Prospectus under Type A, Type B and Type C
Entitlement Date	Market Day immediately preceding the respective Interest Payment Date or Date of Redemption on which a Debenture Holder would need to be recorded as being a Debenture Holder on the list of Debenture Holders provided by the CDS to the Bank in order to qualify for the payment of any interest or any Redemption proceeds.
Fitch	Fitch Ratings Lanka Ltd

Interest Payment Date(s)	<p>The dates on which the interest payment shall fall due in respect of the Debentures being 30th June and 31st December of each year from the Date of Allotment of the Debentures and on such date and month thereafter until the Date of Redemption.</p> <p>Interest would be paid not later than three (03) Market Days from each Interest Payment Date.</p>
Interest Period	<p>The Six (06) month period commencing from an Interest Payment Date and ending on the date immediately preceding the next Interest Payment Date (inclusive of the aforementioned commencement date and the end date) and shall include the period commencing from the Date of Allotment and ending on the date immediately preceding the First Interest Payment Date (inclusive of the aforementioned commencement date and end date) and the period commencing from the last of such Interest Payment Dates before the Date of Redemption and ending on the date immediately preceding the Date of Redemption (inclusive of the aforementioned commencement date and end date).</p>
Issuer / The Bank	Hatton National Bank PLC
Local Time	Sri Lanka Time
Market Day	Any day on which CSE is open for trading
Prospectus	This Prospectus dated 24 November 2014 issued by HNB
Redemption	The repayment of principal at maturity together with any interest accruing up to that time (Refer 5.8)
Senior	In relation to the Debentures means that the claims of all the Debenture Holders shall in the event of winding up of the Bank rank equal and pari passu with all other unsecured creditors of the Bank, and in priority to the subordinated creditors of the bank and in priority to and over the claims and rights of the Shareholder/s of the Bank
Trust Deed	Trust Deed dated 14 November 2014 between HNB and the Trustee
Unsecured	The Debentures will not be secured by any specific assets of the Bank

5.0 INFORMATION RELATING TO THE ISSUE

5.1 Issue summary

Board of Directors of Hatton National Bank PLC (hereinafter called The Bank or HNB) resolved by resolution dated 30th October 2014 to borrow from the public, Rupees Three Billion (LKR 3,000,000,000) with an option to raise further Rupees One Billion (LKR 1,000,000,000) up to a maximum of Sri Lanka Rupees Four Billion (LKR 4,000,000,000) at the discretion of the Issuer in the event of an oversubscription of the initial issue by way of issuing Senior, Unsecured, Redeemable, Debentures as outlined in this Prospectus.

These Debentures shall rank equal and pari passu to each other and differ only with respect to the interest rate offered and the maturity tenure. Three (3) different options are offered to the investors to choose from.

- Type A : The Debentures will carry a Fixed Coupon Rate of 6.88% p.a. payable semi-annually, issued at a par value of LKR 100.00 per each Debenture and redeemed at par at LKR 100.00 with a tenure of Three (2014/2017) years (AER 7.00%)
- Type B : The Debentures will carry a Fixed Coupon Rate of 7.75% p.a. payable semi-annually, issued at a par value of LKR 100.00 per each Debenture and redeemed at par at LKR 100.00 with a tenure of Five (2014/2019) years (AER 7.90%)
- Type C : The Debentures will carry a Fixed Coupon Rate of 8.33% p.a. payable semi-annually, issued at a par value of LKR 100.00 per each Debenture and redeemed at par at LKR 100.00 with a tenure of Ten (2014/2024) years (AER 8.50%)

These Debentures will be listed on the CSE.

The face value shall be Rupees Three Billion (LKR 3,000,000,000) with the option to raise a further Rupees One Billion (LKR 1,000,000,000), which will result in a cumulative face value of a maximum of Rupees Four Billion (LKR 4,000,000,000).

Public could subscribe for any number (subject to the minimum subscription and the maximum issue value) of Debentures mentioned below.

The minimum subscription would be Rupees Ten Thousand (LKR 10,000) and thereafter in multiples of Rupees Ten Thousand (LKR 10,000).

5.2 Objectives of the Issue

The funds raised by this Debenture offering will be utilized for the on-going lending activities of HNB as part of its normal course of business for the following benefits:

- Reduce asset and liability maturity mismatches
- Reduce interest rate risk of the Bank by way of Debentures carrying a fixed interest rate
- Lock in medium term guaranteed funding

5.3 Nature of the Debentures

This issue of Thirty Million (30,000,000) Senior, Unsecured, Redeemable, Rated Debentures to be issued at par LKR 100.00 per each Debenture and redeemed at par at LKR 100.00 each, with Fixed Coupon Rate of 6.88% p.a. payable semi-annually with a Three year tenure (2014/2017)

for Type A Debentures; Fixed Coupon Rate of 7.75% p.a. payable semi-annually with a Five year tenure (2014/2019) for Type B Debentures and a Fixed Coupon Rate of 8.33% p.a. payable semi-annually with a Ten year tenure (2014/2024) for Type C Debentures; and in the event of an over subscription a further amount of Debentures to be issued not exceeding Ten Million (10,000,000), shall rank pari passu to each other without any preference or priority over other, except for the interest rate offered and the maturity tenure.

5.4 Size of the Issue

If the Thirty Million (30,000,000) Debentures are fully subscribed and the option of increasing it by an additional Ten Million (10,000,000) Debentures is exercised (and fully subscribed), the Issue would consist of Forty Million (40,000,000) Debentures in total and would raise Rupees Four Billion (LKR 4,000,000,000).

5.5 Interest Rate and Payment

- Type A : Three Year (2014/2017) Debentures with a Fixed Coupon Rate of 6.88% p.a. payable semi-annually (AER – 7.00%)
- Type B : Five Year (2014/2019) Debentures with a Fixed Coupon Rate of 7.75% p.a. payable semi-annually (AER – 7.90%)
- Type C : Ten Year (2014/2024) Debentures with a Fixed Coupon Rate of 8.33% p.a. payable semi-annually (AER – 8.50%)

The interest payments in respect of the above Debentures will be as follows:

The semi-annual interest payment would fall on the 30th June and 31st December of each year commencing from the Date of Allotment of the Debentures and on such date and month thereafter until the Date of Redemption.

Interest would be paid not later than three (03) Market Days from each Interest Payment Date.

The final interest payments shall be made with the repayment of the principal sum on the Date of Redemption of the Debentures

The interest calculation will be based upon the actual number of days in each Interest Period (Actual/365).

In order to accommodate the Debenture interest cycles in the Automated Trading System (ATS) of the CSE, the Debenture Holders to whom interest shall be paid shall be those holding Debentures in the CDS as of the Entitlement Date.

As per Section 9 and 13 of the Inland Revenue Act No. 10 of 2006 (As amended by Section 4 and 5 of the Inland Revenue (Amendment) Act No. 18 of 2013), the profits and interest income from any investment made on or after 01st January 2013 in corporate debt securities (i.e. debentures), quoted in any stock exchange licensed by the SEC is exempt from income tax.

5.6 Listing

An Application has been made to the CSE for permission to deal in and obtain a quotation on the CSE and has been approved in principle for these Senior, Unsecured, Redeemable, Rated Debentures at a par value of LKR 100.00 each, all of which are offered to the public by way of this Debenture issue.

The CSE however assumes no responsibility for the correctness of the statements made or opinions expressed or reports included in this Prospectus. A Listing on the CSE is not to be taken as an indication of the merits of HNB or of the Debentures issued.

5.7 Payment of Principal and Interest

Payment of principal and interest will be made in Sri Lankan Rupees after deducting any taxes and charges thereon (if any) to the Debenture Holders as at the Entitlement Date (in case of joint Debenture Holders, the payment will be made to the one whose name stands first in the Register of Debenture Holders).

Payment of principal and interest will be made no later than three (3) Market Days from the end of each period.

The payment of principal and interest will be made by crossed cheques marked 'Account Payee Only' dispatched by ordinary post to the address provided by the Debenture Holders to the CDS at the risk of the Debenture Holder or through electronic fund transfer mechanism recognized by the banking system of Sri Lanka to a bank account provided to the CDS by the Debenture Holder such as SLIPS and RTGS. Electronic fund transfers will be arranged at the expense of the Debenture Holder. RTGS transfers could be affected only for amounts over and above the maximum value that can be accommodated via SLIPS transfers.

However, in the event the payment is over the maximum amount accommodated through an electronic fund transfer mechanism recognized by the banking system of Sri Lanka or if the Debenture Holders has not provided to the CDS accurate and correct details of his/her bank account for the payment of principle and interest, such payment to the Debenture Holder will be made by way of a cheque and sent by post at the risk of the Debenture Holder.

Please note that the first interest payment will be made only by cheques.

5.8 Redemption

- Type A : The Debentures are redeemable at the maturity on the expiry of Three (3) years from the Date of Allotment in accordance with the provisions contained in the Trust Deed
- Type B : The Debentures are redeemable at the maturity on the expiry of Five (5) years from the Date of Allotment in accordance with the provisions contained in the Trust Deed
- Type C : The Debentures are redeemable at the maturity on the expiry of Ten (10) years from the Date of Allotment in accordance with the provisions contained in the Trust Deed

Notwithstanding the foregoing, these Debentures may be redeemed by the Bank prior to maturity in accordance with Clause 11.2 of the Trust Deed which provides for the Bank to prepay the Debentures before the Date of Redemption of the principal sum subject to the prior approval of the Debenture Holders of 3/4th of face value of the Debentures outstanding, at a price mutually agreed between the Bank and the Debenture Holders.

The Debenture Holders shall not have any right or option to call for Redemption of the Debentures before the date of maturity of such Debentures, except in the circumstances where the Debentures have become immediately payable in terms of Clause 11.1 of the Trust Deed.

Early Redemption is subject to Central Bank of Sri Lanka approval.

On the Date of Redemption of the Debentures, the Bank shall in accordance with the provisions contained in the Trust Deed pay to the Debenture Holders the principal sum of the Debentures

which ought to be redeemed and interest (if any) remaining unpaid up to the Date of maturity/ Redemption of the Debenture.

If the Date of Redemption falls on a day which is not a Market Day, then the Date of Redemption shall be the immediately succeeding Market Day with interest payable up to that Date of Redemption.

5.9 Trustees to the Offering

Deutsche Bank AG – Colombo Branch of 86, Galle Road, Colombo 03 has agreed in writing to act as the Trustee to the Debenture issue and has issued a consent letter to this effect. The Bank has entered into an agreement with the Trustee (hereinafter called the ‘Trust Deed’). Debenture Holders in their Application for subscription will be required irrevocably to authorize the Trustee, subject to overriding clauses in the Trust Deed, to act as their agents in entering into such deeds, writings, instruments with the Bank and to act as agents and Trustees for the Debenture Holders in order to facilitate the protection of the Debenture Holders’ investment and return.

The rights and obligations of the Trustee are set out in the Trust Deed, a copy of which is available for inspection as mentioned in Section 5.16 of this Prospectus. The Debentures shall be subject to the terms and conditions and confer such rights as are incorporated in the said Trust Deed.

There is no conflict of interest between the Trustee and HNB, except that the Trustee is one of the banks rendering banking related services to HNB.

5.10 Cost of the Issue

The Directors estimate that the total cost of the issue including the Listing fee, Trustee fee, Brokerage, Printing, Marketing, Managers and Registrars fees and other costs connected with the issue will be approximately LKR 20 Million and will be funded by HNB.

5.11 Brokerage

Brokerage at the rate of 0.15% of the nominal value of the Debentures will be paid in respect of the number of Debentures allotted on Applications bearing the stamp of any member and trading member of the CSE, Manager to the Issue and any agent appointed by the Bank.

5.12 Rights of Debenture Holders

Debenture Holders are entitled to the following rights

- Receive principal on the Date of Redemption and interest on the Debentures as per Sections 5.5, 5.7 and 5.8 of this Prospectus and the provisions contained in the Trust Deed.
- In accordance with the Listing rules of the CSE, receiving audited financial statements of the Bank within a period not exceeding five (5) months from the close of each financial year.
- In the event of liquidation, rank above the ordinary voting and non-voting shareholders and preference shareholders of the Bank.
- Call, receive notice, attend and vote at the meetings of the Debenture Holders in accordance with the provisions contained in the Trust Deed.
- The other rights of the holders of these Debentures are set out in the Trust Deed.

Debenture Holders are NOT entitled to the following rights

- Attending and voting at meetings of holders of shares and other types of debentures
- Sharing in the profits of the Bank
- Participating in any surplus in the event of liquidation

Obligations on the Debentures

- The Bank shall repay the principal sum on the Date of Redemption and interest on the Debentures as per Section 5.5, 5.7 and 5.8 of this Prospectus and the provisions contained in the Trust Deed and comply with all other terms and conditions stipulated in the Trust Deed in respect of these Debentures.
- When making payment of the principal sum and interest on the Debentures, the Bank shall always act on the information furnished by the CDS and it shall be the responsibility/obligation of each Debenture Holder to keep all the information in respect of such Debenture Holder updated in the CDS. Each Debenture Holder shall absolve the Bank from any responsibility or liability in respect of any error or absence of necessary changes in the information recorded with the CDS. In addition the Debenture Holder shall absolve CDS and CSE from any responsibility or liability in respect of any error or absence of any necessary changes initiated by the Debenture Holder in the information recorded with the CDS.

5.13 Credit Rating

Fitch Ratings Lanka Ltd has assigned AA-(lka) rating to the Bank's Senior, Unsecured, Redeemable, Rated Debentures. The rating report issued by Fitch Ratings is set out in Annexure II of this Prospectus. The rating report includes both the rating rationale and confirmation.

5.14 Transfer of Debentures

- These Debentures shall be freely transferable and transmittable through the CDS as long as the Debentures are listed in the CSE and the registration of such transfer shall not be subject to any restriction, save and except to the extent required for compliance with statutory requirements.
- Subject to provisions contained in the Trust Deed, the Bank may register without assuming any liability any transfer of Debentures, which are in accordance with the statutory requirements and rules and regulations in force for the time being as laid down by the CSE, SEC and the CDS.
- In the case of the death of a Debenture Holder
 - ◆ The survivor where the deceased was a joint holder; and
 - ◆ The executors or administrators of the deceased (or where the administration of the estate of the deceased is in law not compulsory, the heirs of the deceased) where such Debenture Holder was the sole or only surviving holder; shall be the only persons recognized by the issuer as having any title to his/her Debentures.
- Any person becoming entitled to any Debenture in consequence of bankruptcy or winding up of any Debenture Holder, upon producing proper evidence that such Debenture Holder sustains the character in respect of which such Debenture Holder proposes to act or such

Debenture Holder's title as the Board of Directors of the Bank thinks sufficient, may at the discretion of the Board be substituted and accordingly, registered as a Debenture Holder in respect of such Debentures subject to the applicable laws, rules and regulations of the Bank, CDS , CSE and SEC.

- No change of ownership in contravention of the above conditions will be recognised by the Bank.

5.15 Subscription List and Closure Date

The subscription list for the Senior, Unsecured, Redeemable, Rated Debentures pursuant to this Prospectus will open at 9.00 a.m. on 04 December 2014 and shall remain open for fourteen (14) Market Days until closure at 4.30 p.m. on 23 December 2014 or on an earlier date subject to notification to the CSE as mentioned below.

In the event of under subscription of the initial tranche, the Directors reserve the right to close subscription prior to 23 December 2014 irrespective of whether the issue is oversubscribed or not, by providing one Market Day prior notice to the CSE.

In the event of an over subscription of the Thirty Million (30,000,000) Debentures, the subscription list will close at 4.30pm on the same day on which it is fully subscribed, with the notification of CSE, unless otherwise decided by the Bank to keep the Subscription List open until subscription of a further Ten Million (10,000,000) Debentures or part thereof as may be decided by the Bank.

In such event, the Subscription List will close at 4.30 p.m. on the day on which a further Ten Million (10,000,000) Debentures or part thereof as may be decided by the Bank have been subscribed, with the notification of the CSE or on 23 December 2014 whichever is earlier.

Applications may however be made forthwith in the manner set out in Section 6.0 and accordingly, duly completed Application forms will be accepted by Managers to the issue, Registrars to the Issue or by any member/trading member firm of the CSE as set out in the Collection Points of Annexure III of this Prospectus.

5.16 Inspection of Documents

Certified copies of the Articles of Association of HNB, the Audited financial statements of the Bank for the last five years ending 31 December 2009, 2010, 2011, 2012 and 2013, Rating Report, Trust Deed, material contracts and management agreements or in the case of contracts not reduced into writing a memorandum giving full particulars thereof and all other documents pertaining to the Bank to which references are made in this Prospectus could be inspected by the Public during normal business hours at the Registered Office of HNB from seven (07) Market Days prior to the date of opening of the subscription list, until the date of maturity of the Debentures issued.

In terms of Rule 3.3.11 (b) of the CSE Listing Rules; the Prospectus, the Articles of Association of HNB and the Trust Deed are also hosted in the Bank's website, www.hnb.net and the CSE website, www.cse.lk from the date of opening of the subscription list until the Date of Redemption of the Debenture.

Furthermore, copies of the Prospectus and Application Forms are available free of charge from the collection points set out in Annexure III of this Prospectus from seven (07) Market Days prior to the date of opening of the subscription list.

5.17 Risks Related to the Debentures of HNB

Reinvestment Risk

The calculation for Annual Effective Rate (AER) assumes the investor is able to reinvest his coupons at the same interest rate. The investor who is paid periodic coupon faces the risk of investing these coupon payments to generate the required AER on his investment. Assuming the investor is unable to invest these coupon payments at the same interest rate on the Debenture, the Debenture Holder may not be able to generate the required AER. In case the investor can find an investment which yields a higher interest rate than the Debenture interest, the Debenture Holder can generate a higher AER by reinvesting the coupon in such instruments.

Interest Rate Risk

The price of a Debenture will have a negative correlation with the market interest rates. Interest rate risk captures this relationship between market interest rates and the value of Debentures. If market interest rates rise, the value of the Debentures may fall: as market interest rates fall the value of Debentures may rise (all other factors being equal). If the investor wishes to sell the Debenture prior to its maturity, he might be facing a capital loss (gain) if the market interest rates have increased (decreased) subsequently. Interest rate risk is irrelevant for the investor who wishes to hold the Debenture till maturity.

Credit Risk

Risk of the Issuer not being able to pay interest and principal payments as promised on a timely basis is default risk/ credit risk. It is advisable for prospective HNB Debenture investors to take into account the credit rating awarded to the Bank and its Debentures by Fitch Ratings, present financial strength as reflected in the Balance Sheet of the Bank, assets and earnings growth, experiences and skills of the Directors and senior management when forming an opinion on default risk. The rights of the Debenture Holders would be ranked in priority to the subordinated creditors of the Bank but after the secured creditors of the Bank.

Liquidity Risk

Liquidity risk refers to the ease with which the debenture can be sold in the secondary market, after the initial placement. Since the HNB Debentures are listed, should an investor require an exit option; they will be able to sell the Debentures through the CSE in order to convert them to cash and to exit from the investment. Therefore the liquidity risk is mitigated to a greater degree in the HNB Debenture. Investors have to be mindful of the fact that even though the Debentures are listed, trading of listed debt is not at an advanced stage as the equity markets in Sri Lanka.

Call Risk

Call risk refers to the risk that the issuer will retire all of the principal value of the debentures before maturity. The risk to investor is in that, the timing of the call is not known and the investor will be faced with a re-investment risk in the event the call is made at a time when the market interest rates have declined.

HNB Debentures do not have a call risk except in the circumstances stated below.

Since these Debentures shall not be redeemed by the Bank prior to maturity for any reason whatsoever except due to unforeseen circumstances beyond the control of the Bank. If Redemption is to be done before maturity, it will be done subject to the prior written approval from the CBSL and the approval of 3/4th of the Debenture Holders in nominal value of the Debentures outstanding as set out under Clause 11.2 of the Trust Deed, when the principal sum is repaid before maturity.

6.0 PROCEDURE FOR APPLICATION

6.1 Eligible Applicants

Applications are invited from the following categories of investors:

- Citizens of Sri Lanka who are resident in Sri Lanka and above 18 years of age; or
- Companies, corporations or institutions incorporated or established within Sri Lanka; or
- Approved Unit Trusts licensed by SEC; or
- Approved provident funds and contributory pension schemes registered/ incorporated/ established in Sri Lanka (in this case, Applications should be in the name of the Trustee/ Board of Management in order to facilitate the opening of the CDS account)
- Foreign citizens above 18 years of age (irrespective of whether they are resident in Sri Lanka or overseas); or
- Global, regional and country funds approved by the SEC; or
- Non-residents: foreign institutional investors, corporate bodies incorporated or established outside Sri Lanka, individuals and Sri Lankans resident outside Sri Lanka.

Please note that Applications made by **individuals less than 18 years of age** or those in the names of **sole proprietorships, partnerships, unincorporated trusts and non-corporate bodies** will be rejected.

“Individuals resident outside Sri Lanka” will have the same meaning as in the notice published under the Exchange Control Act in Gazette No. 15007 dated 21st April 1972.

When permitting Non-Residents to invest in the Debentures, the Bank will comply with the relevant Exchange Control Regulations including the conditions stipulated in the notice under the Exchange Control Act with regard to the issue and transfer of debentures of companies incorporated in Sri Lanka to foreign investors as published in the Government Gazette (Extraordinary) No. 1681/11 on 22nd November 2010 , Government Gazette (Extraordinary) No. 1733/19 on 22nd November 2011 and Government Gazette (Extraordinary) No. 1864/39 on 28th May 2014.

6.2 Application Methodology

Applicants applying for the Debentures should submit their Applications in the manner as set out in this Prospectus.

The Prospectus will be made available free of charge from the collection points listed in Annexure III. The Prospectus can also be downloaded from www.cse.lk and the Bank website www.hnb.net.

6.2.1 How to Apply

Applications should be made on the Application Forms, issued with the Prospectus. Application Forms and Prospectuses are issued free of charge from the places / institutions covered in Section 2.0 and Annexure III of the Prospectus. Application Forms could also be downloaded from the Bank's website, www.hnb.net and CSE web site www.cse.lk (exact size photocopies of Application Forms too would be accepted).

Care must be taken to follow the instructions given on the reverse side of the Application Form. Applications that do not strictly conform to such instructions and / or the terms and conditions set out in this Prospectus or which are incomplete or illegible may be rejected.

Applications should be made for a minimum of One Hundred (100) Debentures each (LKR 10,000).

Applications exceeding One Hundred (100) Debentures should be in multiples of One Hundred (100) Debentures (LKR 10,000). Applications for less than One Hundred (100) Debentures will be rejected.

Applicants should apply only for one Type of Debenture (i.e either Type A or Type B or Type C Debentures) under one Application Form. In the event an Applicant wishes to apply for more than one Type of Debenture, separate Application Forms should be used. Once an Application Form has been submitted for a particular Type of Debenture, it will not be possible for an Applicant to switch between the Types of Debentures. More than one Application submitted by an Applicant under the same Type of Debenture will not be accepted. If more than one Application Form is submitted for one Type of Debenture from a single Applicant, those would be construed as multiple Applications and the Bank reserves the right to reject such multiple Applications or suspected multiple Applications.

In the case of corporate Applicants, the common seal of the company should be affixed and attested if required by the Articles of Association or such other constitutional documents of such Applicants or as per the statutes governing them. In case of approved provident funds, trust funds and approved contributory pension schemes, the Applications should be in the name of the Trustees / Board of Management.

As per the Foreign Account Tax Compliance Act (FATCA) “U. S. Persons” must provide the duly completed declaration as per the specimen given in Annexure IV together with the application form. Under the provisions of FATCA, “U.S. Persons” include;

- U. S. Citizens (including an individual born in U.S. but resident in another country who has not renounced U.S. citizenship)
- A lawful citizen of the U.S. (including Green card holders)
- A person residing in the U.S.
- A person who spends certain number of days in the U.S. each year
- U.S. Corporations, estates and trusts
- Any entity that has a linkage or ownership to U.S. or the U.S. territories
- Non U.S. entities that have at least one U.S. Person as a “substantial beneficial owner”

6.2.2 Minimum Subscription and Underwriting

The offering is not conditional upon any minimum subscription amount being raised through this Issue. The Bank has not entered into any underwriting arrangement with regards to this Issue.

In the event the issue is under subscribed, the subscribers shall be allotted in full and funds raised shall be utilized to meet the objectives of the issue as stipulated in Section 5.2 of the Prospectus.

6.2.3 Identification Information

All Applicants should disclose their identification/registration information by filling in the space provided in the Application Form for this purpose.

Applicants are requested to state their residency and nationality in the appropriate spaces provided in the Application Form.

The NIC, passport, or company registration number as the case may be, must be stated in the Application Form and any Application Form which does not provide the appropriate identification information will be rejected.

Resident Applicants may use the Passport for purposes of identification only if they do not have a NIC number.

Tabulated below is the relevant identification information that a prospective investor should provide depending on the legal status:

Identification Information				
Citizenship/legal Form	NIC Number	Passport Number	Company Registration Number	Common Seal/Rubber Stamp
Sri Lankan Citizens	✓			
Sri Lankan Citizens with no NIC number (Note I)		✓		
Foreign Citizens (Note II)		✓		
Corporate Entities (Note III)			✓	✓

Note I: In the case of Sri Lankan citizens, the passport number will be accepted only when the NIC number is not available. The CDS account must be for the same passport number.

Note II: Foreign citizens must state the passport number in the space provided.

Note III: The company registration number must be provided. The common seal or rubber stamp should be affixed and the Application Form duly signed as stipulated in the constitutional documents of such Applicants.

Non-resident investors may be affected by the laws of the jurisdiction of their residence. If the non-resident investors wish to apply for the Debentures, it is their responsibility to comply with the laws relevant to the jurisdiction of their residence and of Sri Lanka.

6.2.4 Margin Trading

Applicants who wish to apply through their margin trading account, should submit the Application in the name of the 'margin provider/Applicant's name' signed by the margin provider. The Applicants should state the relevant CDS account number relating to the margin trading account in the space provided for the CDS account number in the Application Form.

The NIC, passport, or company registration number of the Applicant as the case may be, must be stated in the Application Form.

Resident Applicants may use the Passport for purposes of identification, only if they do not have a NIC number.

A photocopy of the margin trading agreement must be submitted along with the Application.

Please note that the margin provider can apply under its own name and such Applications will not be construed as multiple Applications. Multiple Applications will not be entertained. The Issuer reserves the right to reject all multiple Applications or suspected multiple Applications.

6.2.5 Applications Made Under Power of Attorney

In the case of Applications made under Power of Attorney (POA), a copy of the said POA, certified by a Notary Public to be a true copy of the original, should be lodged with the Registrar to the Issue along with the Application Form. The original POA should not be attached.

6.2.6 Joint Applications

Joint Applications may be made. However, an Applicant of a joint Application will not be eligible to send a separate Application individually or jointly. The interest and capital payments / repayments (if any) will be drawn in favour of the principal Applicant as given in the Application Form.

6.2.7 Submission of Applications

Application Forms properly and legibly filled in accordance with the instructions thereof, along with the applicable remittance (cheque or bank draft or RTGS transfer or bank guarantee only) for the full amount payable on Application should be enclosed in a sealed envelope marked '**Hatton National Bank PLC – Debenture Issue 2014**' on the top left-hand corner and be addressed and **dispatched** by post or courier or delivered by hand to the Registrar to the Issue at the following address prior to **4.30 p.m.** Local Time on the Closure Date.

**SSP Corporate Services (Pvt) Limited,
No. 101, Inner Flower Road,
Colombo 03.**

Applications may also be handed over to the Managers to the Issue, Bankers to the Issue and their designated branches, members and trading members of the CSE as set out in Annexure III prior to 4.30 p.m. Local Time on the Closure Date.

In the case of Applications dispatched by courier or post, such Applications should **reach** the Registrar to the Issue no later than 4.30 p.m. Local Time on the Market Day immediately following the Closure Date. Any Applications received after the above deadline shall be rejected even though the courier or postmark is dated prior to the Closure Date.

6.3 Payment of Application Monies

6.3.1 Mode of Remittance

Payment should be made separately in respect of each Application by cheque or bank draft/s or bank guarantee drawn upon any licensed commercial bank operating in Sri Lanka or RTGS transfer through any licensed commercial bank operating in Sri Lanka, as the case may be, subject to the below (a) through (d).

- a) Remittances on Applications will be deposited in a separate bank account in the name of **‘Hatton National Bank PLC – Debenture Issue’**.
- b) **Payment for Applications for Debentures of a value of below LKR 100,000,000/-** could be supported by a cheque or bank draft or bank guarantee. In such instances, Application Form should be accompanied by only one cheque or bank draft or bank guarantee and should be issued for the full amount indicated in the Application Form. A Debenture Application value below LKR 100,000,000/- accompanied by multiple cheques/ bank drafts/ bank guarantees will be rejected at the outset.
- c) **Applicants making Applications for Debentures of a value of above and inclusive of LKR 100,000,000/-** will be permitted to submit;
 - Multiple bank drafts drawn upon any licensed commercial bank operating in Sri Lanka
 - A bank guarantee issued by a licensed commercial bank
 - RTGS transfer with value on the date of the Issue Opening Date
 - Applicants are required to attach a list to the Application Form giving details of such payment such as; (1) Name of bank, (2) Name of branch, (3) Bank Draft No./Bank Guarantee No.
 - Cheques will not be accepted for a value above and inclusive of LKR 100,000,000/-
 - Multiple bank guarantees and multiple RTGS transferred are not permitted
- d) Cash will not be accepted

6.3.2 RTGS Transfers

In case of RTGS transfers (only for Application values above and inclusive of Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-) such transfer should be made to the credit of **‘Hatton National Bank PLC – Debenture Issue’** bearing account number **‘003010500216’** at Hatton National Bank PLC, Head Office Branch, No. 479, T B Jayah Mawatha, Colombo 10 with value on the Issue Opening Date (i.e. the funds to be made to the above account on the Issue Opening Date).

The Applicant should obtain a confirmation from the Applicant’s bank, to the effect that arrangements have been made to transfer payment in full for the total value of Debentures applied for the credit of **‘Hatton National Bank PLC – Debenture Issue’** bearing account number **‘003010500216’** at Hatton National Bank PLC, Head Office Branch, No. 479, T B Jayah Mawatha, Colombo 10 with value on the Issue Opening Date (i.e. the funds to be made to the above account on the Issue Opening Date) and should be attached with the Application Form.

For such RTGS transfers, interest will be paid from the date of such transfer up to the Date of Allotment, at the HNB’s money market savings rate applicable on the date of such transfer.

If any transfers are affected prior to the Issue Opening Date, no interest will be paid prior to the Issue Opening Date.

No interest will be paid if the RTGS transfers are not realised before the Closure Date.

6.3.3 Cheques or Bank Drafts – Resident Sri Lankan Investors

Cheques or bank drafts should be drawn on any licensed commercial bank in Sri Lanka and crossed **‘Account Payee Only’** and made payable to **‘Hatton National Bank PLC – Debenture Issue’**.

Cheques or bank drafts accompanying Application Forms made for less than One Hundred (100) Debentures or for a number which is not in multiples of One Hundred (100) Debentures (as mentioned in Section 6.2.1) will not be sent for clearing and shall be returned via ordinary post at the risk of the Applicant, or in the case of joint Applicants, to the first named Applicant.

In the event that cheques are not realised within two (02) Market Days from the day of presenting the same to the bank for clearing, the cheques will be returned and no allocation of Debentures will be made to the Applicants.

Cheques must be honoured on first presentation to the bank for the Application to be valid. Applications supported by cheques which are not honoured on the first presentation will be rejected.

6.3.4 Foreign Currency Remittance

This section is applicable to citizens of Sri Lanka who are above 18 years of age and resident overseas, corporate bodies incorporated or established outside Sri Lanka, global, regional or country funds approved by the SEC and foreign citizens (irrespective of whether they are resident in Sri Lanka or overseas) who are above 18 years of age.

The above mentioned Applicants should make payments only out of funds received as inward remittances or available to the credit of "Securities Investment Account" (SIA) maintained with any licensed commercial bank in Sri Lanka in accordance with directions given by the Controller of Exchange in that regard to licensed commercial banks.

An endorsement by way of a letter by the licensed commercial bank in Sri Lanka in which the Applicant maintains the SIA, should be attached to the Application Form to the effect that such payment through bank draft/bank guarantee/RTGS has been made out of the funds available in the SIA.

6.3.5 Restrictions Applicable to Foreign Citizens Resident in Sri Lanka

Foreign citizens resident in Sri Lanka may make payments through Sri Lanka Rupee accounts only if they possess dual citizenship where one such citizenship is Sri Lankan. Foreign citizens having Sri Lankan citizenship should attach a certified copy of the citizenship certificate with the Application Form.

Foreign citizens residing in Sri Lanka having valid residency visas should note that they cannot make remittances via cheques or bank drafts or bank guarantee or RTGS transfers drawn on Sri Lanka Rupee accounts maintained with any licensed commercial bank in Sri Lanka but may do so via SIA/FCBU/RGFCA/RGRCA accounts. Applications made by foreign citizens not in accordance to the foregoing shall be rejected.

6.3.6 Bank Guarantees

Applications made by Sri Lankan investors backed by bank guarantee presented in line with the requirements set out in Section 6.3.1 will be accepted. The bank guarantee will be presented to the respective bank only after the Debentures have been allotted. The bank guarantee should be issued by any licensed commercial bank in Sri Lanka and in favour of '**Hatton National Bank PLC – Debenture Issue**' in a manner acceptable to the Bank and be payable on demand.

The bank guarantees should be valid for a minimum of one (01) month from the date of the Issue.

Investors are encouraged to discuss with their relevant bankers with regard to the issuance of bank guarantees and all related charges that would be incurred by the investors.

6.4 Rejection of Applications

- Application Forms which are incomplete in any way and/or are not in accordance with the terms and conditions set out in Section 6.0 of this Prospectus will be rejected at the absolute discretion of the Bank.
- Any Application Form which does not provide the NIC, passport (where NIC is not available) or company registration number as the case may be, will be rejected.
- Applications delivered by hand after 4.30 p.m. Local Time on the Closure Date of the Issue will be rejected. Applications received by courier/post after 4.30 p.m. Local Time on the succeeding Market Day immediately following the Closure Date of the Issue, will also be rejected even if they carry a courier acceptance date/postmark date earlier than the Closure Date.
- Applications made for less than One Hundred (100) Debentures or for a number which is not in multiples of One Hundred (100) Debentures will be rejected.
- Applications which do not carry a valid CDS account number, or which indicate an inaccurate or incorrect CDS account number, shall be rejected and no allotment will be made.
- The Bank reserves the right to reject multiple Applications and suspected multiple Applications which are not allowed, as mentioned in Section 6.0 or to accept only one Application Form at their discretion, in such instance.
- Payment for Applications of Debentures of a value of below LKR 100,000,000/- accompanying two or more cheques or bank drafts or bank guarantees as mentioned in Section 6.3, will be rejected at the outset.
- Applications made by individuals below 18 years of age or those in the names of sole proprietorships, partnerships, unincorporated trusts and non-corporate bodies will be rejected.

Notwithstanding any provision contained herein, the Board of Directors shall reserve the right to refuse any Application or to accept any Application in full or part.

6.5 Banking of Payments

All cheques or bank drafts or bank guarantees received in respect of Applications will not be banked or called on until the Market Day after the Closure Date of the subscription list, in terms of the CSE Listing Rules.

6.6 Returning of Monies of Rejected Applications

Where an Application Form is rejected, the cheque or bank draft or bank guarantee received in respect of the Application will be returned via ordinary post at the risk of the Applicant. In the case of joint Applicants, the cheque or bank draft or bank guarantee received in respect of the Application will be returned to the first named Applicant.

Where the Application Form is accepted and the cheque or bank draft or bank guarantee is not honoured at the first presentation, the Application will also be rejected and the dishonoured cheque or bank draft or bank guarantee will be returned via ordinary post at the risk of the Applicant. In the case of joint Applicants, the dishonoured cheque or bank draft or bank guarantee will be returned to the first named Applicant.

6.7 Allotment of Debentures in Issue / Basis of Allotment

In the case of an oversubscription, the Board of Directors of the Bank will endeavour to decide and announce to the CSE a fair basis of allotment, within seven (07) Market Days from the Closure Date.

Further, the Board reserves the right to allocate up to 75% of the issue value on a preferential basis, to investor/s of strategic importance with whom they might partner with in future endeavours.

The Board of Directors of HNB reserves the right to refuse any Application or to accept any Application in part only, without assigning any reason therefore.

A written confirmation informing the successful applicants on their allotment of Debentures will be dispatched within ten (10) Market Days from the Closure Date.

6.8 Refunds on Applications

Where an Application is accepted only in part, the balance of the monies received on Application will be refunded. Refunds on Debentures that have not been allotted will be refunded on or before the expiry of ten (10) Market Days from the Closure Date (excluding the Closure Date) as required by the CSE Listing Rules. Applicants would be entitled to receive interest at the last quoted AWPLR published by the CBSL plus 5%, on any refunds not made by the expiry of the above mentioned period.

Non resident Applicants are requested to include their respective SIA account details in the Application Form for refund payments.

6.8.1 Refunds via SLIPS

The refund payment will be made to the bank account specified by the Applicant through the SLIPS on or before the expiry of ten (10) Market Days from the Closure Date (excluding the Closure Date) as required by the CSE Listing Rules and a payment advice shall be issued to the Applicant provided that the Applicant has submitted accurate and complete details of his bank account in the Application Form.

However, SLIPS transfers are subject to a maximum limit of Rupees Five Million (LKR 5,000,000.00) imposed by the CBSL with effect from October 29, 2010 as per Operating Instruction Circular No. 11/2010 dated October 25, 2010.

Even though the Applicant has requested for SLIPS transfer for refund amounts and submitted accurate and complete details of the bank account in the Application Form, refund amounts exceeding Rupees Five Million (LKR 5,000,000.00) will be made by a crossed cheque in favour of the Applicant and sent by ordinary post at the risk of the Applicant.

In the case of a joint Application, a crossed cheque will be drawn in favour of the Applicant whose name appears first in the Application Form.

In the event the refund payment is effected via SLIPS based on the bank account details provided by the Applicant in the Application Form, but is rejected by the Applicant's bank due to inaccurate or incomplete information, such refund payments would be made via a crossed cheque in favour of the Applicant and sent by ordinary post at the risk of the Applicant. In such instances, the Bank together with the Registrar to the Issue will send the refund cheques to such Applicants at the earliest possible and the Applicant should not hold the Bank or the Registrar to the Issue accountable for such delays.

In order to get accurate details on bank and branch codes, please follow the web link given below.

http://www.lankaclear.com/products_and_services/sl_interbank_payment_system_guideline.php

6.8.2 Refunds via Crossed Cheque

If the Applicant has not provided details of the bank account in the Application Form or has provided inaccurate or incomplete details of the bank account with respect to refunds via SLIPS, the refund payment will be made by a crossed cheque in favour of the Applicant and sent by ordinary post at the risk of the Applicant. In the case of a joint Application, a crossed cheque will be drawn in favour of the Applicant whose name appears first in the Application Form.

A request for cancellation of crossing on the refund cheque, in instances where the Applicant does not maintain a current account, should be addressed to the Registrar to the Issue in writing, stating the cheque number and the fact that the Applicant does not maintain a current account. The refund cheque and a clear photocopy of the Applicant's NIC should accompany the letter.

In the event of a refund cheque being delivered by hand by a third party to the Registrar to the Issue for cancellation of crossing, a letter of authorisation signed by the Applicant stating the NIC number of such third party should also be presented with the refund cheque.

Refund cheques on which the crossings have been cancelled by the Registrar to the Issue should preferably be collected in person or by a third party authorised by the Applicant. Where an Applicant has requested the delivery of the cheque on which the crossing has been cancelled via post, such cheque will be sent at the risk of the Applicant.

6.9 Successful Applicants and CDS Lodgement

The Debentures allotted will be directly uploaded to the respective CDS account given in the Application Form before the expiry of eighteen (18) Market Days from the Closure Date of the Issue as required by the CSE Listing Rules.

All Applicants should indicate in the Application for Debentures, their NIC number or the company registration number as the case may be. The passport number may be indicated only if the Applicant does not have a NIC number.

As per the Directive of the Securities and Exchange Commission made under Circular No. 08/2010 dated November 22, 2010 and Circular No. 13/2010 issued by the Central Depository System (Private) Limited dated November 30, 2010, all Debentures allotted shall be directly uploaded to the CDS accounts. As such, all Applicants should indicate their CDS account number in the Application Form. Applicants who do not have a CDS account are advised to open a Valid CDS account prior to submitting the Application, in order to facilitate the uploading of allotted Debentures to their CDS account.

Applicants, who wish to open a CDS Account, may do so through any member/ trading member of the CSE as set out in the Annexure III or through any Custodian Bank as set out in Annexure III of this Prospectus.

Please note that upon the allotment of Debentures under this Issue, for Applicants who have indicated their CDS account details in the Application Form, **the allotted Debentures would be credited to the Applicant's CDS account** so indicated.

Please note that Debenture Certificates shall not be issued.

Applications which do not carry the CDS account number, which is not opened at the time of the closure of the subscription list or which indicate an inaccurate/incorrect CDS account number, shall be rejected and no allotment will be made.

Written confirmation, upon the completion of crediting the respective CDS account will be sent to the Debenture Holder within two (02) Market Days of crediting the CDS accounts by ordinary post to the address provided by each Debenture Holder in their respective Applications.

6.10 Declaration to the CSE and Secondary Market Trading

The Bank will submit to the CSE a declaration on the Market Day immediately following the day on which Applicants' CDS accounts are credited with the Debentures. Trading of the Debentures on the secondary market will commence on or before the third (3rd) Market Day from the receipt of the declaration by the CSE as per the CSE Listing Rules.

7.0 FINANCIAL INFORMATION

The following financial information is hosted on the Bank's web site, www.hnb.net and CSE web site www.cse.lk;

- Audited financial statements of Hatton National Bank PLC as at 31 December 2013
- Interim financial statements of Hatton National Bank PLC as at 30 September 2014
- Summarized financial statement for the five years preceding the date of the application (dated 4th November 2014) stating the accounting policies adopted by the Entity certified by the auditors and Qualifications carried in any of the Auditors Reports covering the period in question and any material changes in accounting policies during the relevant period

7.1 Details of other Debt Securities of HNB Group as at 30 September 2014

Issue Date	Maturity Date	Tenure	Type	Interest Rate – p.a.%	Classification	Rights of holders	Amount outstanding as at 30 Sep 2014 in LKR '000
01 April 2006	31 March 2021	15 years	Public quoted	11.00%	Unsecured Subordinated Redeemable Debenture	Subordinated	LKR 278,139
	31 March 2024	18 years	Public quoted	11.25%	Unsecured Subordinated Redeemable Debenture	Subordinated	LKR 522,234
01 August 2007	31 July 2017	10 years	Public quoted	16.00%	Unsecured Subordinated Redeemable Debenture	Subordinated	LKR 520,000
	31 July 2022	15 years	Public quoted	16.75%	Unsecured Subordinated Redeemable Debenture	Subordinated	LKR 729,312.50
05 September 2011	04 September 2021	10 year	Public quoted	11.50%	Unsecured Subordinated Redeemable Debenture	Subordinated	LKR 2,057,972.60
13 June 2013	12 June 2013	5 year	Public quoted	14.00%	Unsecured Subordinated Redeemable Debenture	Subordinated	LKR 4,168,767.12
30 August 2013	29 August 2013	10 year	Public quoted	14.25%	Unsecured Senior Redeemable Debenture	Senior	LKR 1,410,932.90

HNB has not issued any convertible debt securities as at the date of the Prospectus.

7.2 Litigation, Disputes and Contingent Liabilities

Contingent liabilities of the HNB Group as at 30 September 2014 are as follows.

	LKR '000s
Acceptances	9,264,087
Documentary Credits	18,819,892
Guarantees	55,894,116
Bills for collection	7,129,242
Forward Exchange Contracts	157,173,970
Total	248,281,307

Apart from legal proceedings in the normal course of its banking business, the Bank and its subsidiaries are not a party to any litigation or arbitration proceedings and is not aware of any pending or threatened litigation or arbitration that, if decided adversely to the Bank, would have a significant effect upon the Bank's financial position nor has it been a party to any such proceedings in the recent past.

7.3 Central Bank of Sri Lanka master plan of Consolidating the Financial Sector

The Issuer is not affected by Central Bank's Master Plan of consolidating the financial sector.

However, please note that by letter dated 7th November 2014, the Director of Bank Supervision of the Central Bank of Sri Lanka has granted approval for HNB to invest in a stake of 51% of voting shares in Prime Grameen Micro Finance Limited (PGMFL). Pursuant to this approval, on 7th November 2014, HNB has purchased 724,904,118 number of issued and fully paid up voting shares representing 51% stake in PGMFL from Prime Lands (Private) Limited for a consideration of Rupees Six Hundred and Sixty Million (LKR 660,000,000). Relevant disclosures in this regard were made to the Colombo Stock Exchange.

ANNEX I - STATUTORY DECLARATIONS

Statutory Declaration by the Directors

This Prospectus has been seen and approved by the directors of the Entity and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that provisions of the CSE Listing Rules and of the Companies Act No. 07 of 2007 and any amendments to it from time to time have been complied with and after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading or inaccurate. Where representations regarding the future performance of the Entity have been given in the Prospectus, such representations have been made after due and careful enquiry of the information available to the Entity and making assumptions that are considered to be reasonable at the present point in time in the best judgement of the directors.

An application has been made to the Colombo Stock Exchange for permission to deal in and for a listing of all securities in a particular class issued by the Entity and those Securities of the same class which are the subject of this issue. Such permission will be granted when the Securities are listed on the Colombo Stock Exchange. The Colombo Stock Exchange assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports included in this Prospectus. Listing on the Colombo Stock Exchange is not to be taken as an indication of the merits of the Entity or of the Securities issued.

Name	Designation	Signature
Dr. Raneer Jayamaha	Chairperson Non-Executive Director	Sgd
Mr. A J Alles	Managing Director/ CEO	Sgd
Mrs. M A R C Cooray	Independent /Non-Executive Director	Sgd
Dr. W. W. Gamage	Independent / Non-Executive Director	Sgd
Dr. L R Karunaratne	Independent / Non-Executive Director	Sgd
Mr. L U D Fernando	Non-Executive Director	Sgd
Mr. D T S H Mudalige	Independent /Non-Executive Director	Sgd
Miss. D S C Jayawardena	Non-Executive Director	Sgd
Mr. R S Captain	Non-Executive Director	Sgd
Mr. D A Cabraal	Independent /Non-Executive Director	Sgd

Statutory Declaration by the Manager to the Issue

20 November 2014

We Acuity Partners (Private) Limited of No. 53, Dharmapala Mawatha, Colombo 03, who are named in the Prospectus as the Manager to the Issue hereby declare and confirm that to the best of our knowledge and belief this Prospectus constitutes full and true disclosure of all material facts about the Issue and HNB whose Debentures are being listed.

Signed by two directors of Acuity Partners (Private) Limited, being duly authorised thereto, at Colombo on this 20th day of November 2014.

Signed
Mr. M R Abeywardena
Director

Signed
Mr. D A B Ellepola
Director

ANNEX II – CREDIT RATING REPORT

FitchRatings

Fitch Rates Hatton National Bank's Senior Debt Final 'AA-

(Ika)' Ratings Endorsement Policy

19 Nov 2014 2:04 AM (EST)

Fitch Ratings-Colombo/Hong Kong-19 November 2014: Fitch Ratings Lanka has assigned Hatton National Bank PLC's (HNB; AA-(Ika)/Stable) proposed senior debentures of up to LKR4bn a final National Long-Term Rating of 'AA-(Ika)'.

The assignment of the final rating follows the receipt of final documents that conform to information previously received. The final rating is at the same level as the expected rating assigned on 17 September 2014.

The debentures, which are to have tenors of three, five and 10 years and carry fixed coupons, are to be listed on the Colombo Stock Exchange. HNB expects to use the proceeds to reduce asset and liability maturity mismatches.

KEY RATING DRIVERS

The debentures are rated at the same level as HNB's National Long-Term Rating in accordance with Fitch's criteria as they constitute unsecured and unsubordinated obligations of the bank.

HNB's rating reflects its long operating history, strong franchise, satisfactory capitalisation and relatively higher risk appetite

RATING SENSITIVITIES

The ratings on the debentures will move in tandem with HNB's National Long-Term Rating.

A full list of HNB's ratings follows:

National Long-Term Rating: 'AA-(Ika)'; Stable Outlook

Outstanding Sri Lanka rupee-denominated senior unsecured debentures: 'AA-(Ika)'

Proposed Sri Lanka rupee-denominated senior unsecured debentures: 'AA-(Ika)'

Outstanding subordinated debentures: 'A+(Ika)'

For more details on HNB's ratings and credit profile, see the full rating report titled "Hatton National Bank PLC", dated 1 September 2014, available at www.fitchratings.com.

Contacts:

Primary Analyst
Rukshana Thalgodapitiya
Vice President
+941 1254 1900
Fitch Ratings Lanka Ltd
15-04, East Tower, World Trade Center
Colombo 1, Sri Lanka

FITCH RATINGS LANKA LTD.

Secondary Analyst
Kanishka deSilva
Analyst
+941 1254 1900


Authorized Signatory

Committee Chairperson
Sabine Bauer
Senior Director
+852 2263 9966

Media Relations: Bindu Menon, Mumbai, Tel: +91 22 4000 1727, Email: bindu.menon@fitchratings.com.

Additional information is available on www.fitchratings.com.

HNB has a 1.79% equity stake in Fitch Ratings Lanka Ltd. No shareholder other than Fitch, Inc. is involved in the day-to-day rating operations of, or credit reviews undertaken by, Fitch Ratings Lanka Ltd.

Note to editors: Fitch's National ratings provide a relative measure of creditworthiness for rated entities in countries with relatively low international sovereign ratings and where there is demand for such ratings. The best risk within a country is rated 'AAA' and other credits are rated only relative to this risk. National ratings are designed for use mainly by local investors in local markets and are signified by the addition of an identifier for the country concerned, such as 'AAA(lka)' for National ratings in Sri Lanka. Specific letter grades are not therefore internationally comparable.

Applicable criteria, "Global Financial Institutions Rating Criteria", dated 31 January 2014, "National Scale Ratings Criteria", dated 30 October 2013, "Assessing and Rating Bank Subordinated and Hybrid Securities" dated 31 January 2014, and "Evaluating Corporate Governance", dated 12 December 2012 are available at www.fitchratings.com.

Applicable Criteria and Related Research:

[Global Financial Institutions Rating Criteria](#)

[National Scale Ratings Criteria](#)

[Assessing and Rating Bank Subordinated and Hybrid Securities Criteria](#)

[Evaluating Corporate Governance](#)

Additional Disclosure

[Solicitation Status](#)

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ANNEX III – COLLECTION POINTS

Copies of the Prospectus and Application Form can be obtained free of charge from the following collection points.

Manager to the Issue	Registrar to the Issue
Acuity Partners (Private) Limited No. 53, Dharmapala Mawatha, Colombo 03 T: +94 11 2 206206 F: +94 11 2437149	SSP Corporate Services (Pvt) Limited, No. 101, Inner Flower Road, Colombo 03. T: + 94 11 2573894 F: + 94 11 2573609

Members of the CSE

Asia Securities (Private) Limited Level 21, West Tower, World Trade Centre, Echelon Square, Colombo 1. T: +94 11 2423905, 5320000 F: +94 11 2336018 E: enquiry@asiacapital.lk	Asha Phillip Securities Limited 2nd Floor, Lakshmans Building, No. 321, Galle Road, Colombo 03. T: +94 11 2429100 F: +94 11 2429199 E: apsl@ashaphillip.net
Asia Securities (Private) Limited Level 21, West Tower, World Trade Centre, Echelon Square, Colombo 1. T: +94 11 2423905, 5320000 F: +94 11 2336018 E: enquiry@asiacapital.lk	Assetline Securities (Private) Limited No.120, 120A, Pannipitiya Road, Battaramulla. T: +94 11 4700111, 2307366 F: +94 11 4700112, 2307365 E: colombo.dpglobal@dpmcfs.com
Bartleet Religare Securities (Pvt) Limited Level "G", "Bartleet House", 65, Braybrooke Place, Colombo 2. T: +94 11 5220200 F: +94 11 2434985 E: info@bartleetstock.com	Capital Trust Securities (Pvt) Limited 42, Mohamed Macan Markar Mawatha, Colombo 3. T: +94 11 2174174, 2174175 F: +94 11 2174173 E: inquiries@capitaltrust.lk
Nation Lanka Equities (Private) Limited 44, Guildford Crescent, Colombo 7. T: +94 11 4889061-3, 2684483 F: +94 11 2688899 E: info@nlequities.com	CT CLSA Securities (Pvt) Limited 4-14, Majestic City, 10, Station Road, Colombo 4. T: +94 11 2552290-4 F: +94 11 2552289 E: ctssales@sltnet.lk

John Keells Stockbrokers (Private) Limited

186, Vauxhall Street,
Colombo 2
T: +94 11 2342066-7, 2306250
F: +94 11 2342068
E: jkstock@keells.com

J B Securities (Private) Limited

150, St Joseph Street
Colombo 14
T: +94 11 2490900, 77 2490900,
F: +94 11 2430070, 2446085
E: jbs@jb.lk

Lanka Securities (Private) Limited

228/1, Galle Road,
Colombo 4
T: +94 11 4706757, 2554942
F: +94 11 4706767
E: lankasec@sltnet.lk

Somerville Stockbrokers (Private) Limited

137, Vauxhall Street,
Colombo 2
T: +94 11 2329201-5, 2332827,
F: +94 11 2338291
E: ssb-web@sltnet.lk

NDB Stockbrokers (Private) Limited

5th Floor, NDB Building,
40, Navam Mawatha,
Colombo 2
T: +94 11 2314170-8
F: +94 11 2314180

First Capital Equities (Pvt) Limited.

No.01, Level 02,
Lake Crescent,
Colombo 2
T: +94 11 2145000
F: +94 11 5736264
E: inquiries@firstcapital.lk

SC Securities (Private) Limited

2nd Floor
55, D.R. Wijewardena Mawatha,
Colombo 10
T: +94 11 4711000-1
F: +94 11 2394405
E: ceo@sampathsecurities.lk

Trading Members

Softlogic Stockbrokers (Private) Limited

06, 37th Lane
Queens Road, Colombo 03
T: +94 11 7277000
F: +94 11 7277099
E: info@equity.softlogic.lk

Capital Alliance Securities (Private) Limited

Level 5, "Millennium House",
46/58, Navam Mawatha,
Colombo 02
T: +94 11 2317777
F: +94 11 2317788
E: info@cal.lk

Claridge Stockbrokers (Private) Limited

10, Gnanartha Pradeepa Mawatha,
Colombo 08
T: +94 11 2697974
F: +94 11 2689250
E: csb@mackwoods.com

First Guardian Equities (Private) Limited

32nd Floor, East Tower, World Trade Centre,
Colombo 01
T: +94 11 5884400
F: +94 11 5884401
E: info@firstguardianequities.com

Candor Equities Limited
Level 8, Millennium House,
46/58 Nawam Mawatha,
Colombo 02
T: +94 11 2359 100
F: +94 11 2305 522
E: info.cel@candorh.com

Enterprise Ceylon Capital (Pvt) Limited
27th Floor, East Tower,
World Trade Centre
Colombo 01
T: +94 11 2333000
F: +94 11 2333383
E: info@ecc.lk

LOLC Securities (Private) Limited
Level 18, West Tower,
World Trade Centre,
Colombo 01
T: +94 11 5880880
F: +94 11 2 434771

Navara Securities (Pvt) Ltd
25-2/4, Milepost Avenue
Colombo 03
T: +94 11 2358700/20
F: +94 11 5 005 551
E: info@nws.lk

SMB Securities (Private) Limited
102/1, Dr, N M Perera Mw (Cotta Road),
Colombo 08
T: +94 11 4388138
F: +94 11 2670294
E: admin@smbsecurities.lk

Serendib Stock Brokers (Private) Limited
Level 15, East Tower, World Trade Center,
Colombo 01.
T: +94 11 550 0600
F: + 94 11 550 0699
E: info@serendibsb.com

Taprobane Securities (Private) Limited
2nd Floor, 10, Gothami Road,
Colombo 08
T: +94 11 5328200
F: +94 11 5328277
E: info@taprobane.lk

TKS Securities (Private) Limited
4th Floor, 245, Dharmapala Mw,
Colombo 07
T: +94 11 7857799
F: +94 11 7857857
E: info@tks.lk

Richard Pieris Securities (Pvt) Ltd
55/20, Vauxhall Lane,
Colombo 02
T: +94 11 7448900, 5900800
F: +94 11 2330711
E: dilruk@rpsecurities.com

First Capital Markets Limited
No 2, Deal Place
Colombo 03
T: +94 11 2639898, 2681888
F: +94 11 2639899, 2681460
E: info@firstcapital.lk

Wealthtrust Securities Limited
32, Castle Steet
Colombo 08
T: +94 11 2689823
F: +94 11 2689605

Perpetual Treasuries Limited
Level 3, Prince Alfred Towers
Alfred House Gardens, Colombo 03
T: +94 11 2206123
F: 11 2206110

NSB Fund Management Limited
No. 255, 1st Floor, NSB Head Office
Galle Road, Colombo 03
T: +94 11 2565956
F: +94 11 2574387

Custodian Banks

<p>Bank of Ceylon (Head Office) 11th Floor, 04, Bank of Ceylon Mawatha, Colombo 01 T: +94 11 2448348, 2338742/55, 2544333</p>	<p>Citi Bank, N A 65 C, Dharmapala Mawatha, Colombo 07 T: +94 11 2447316/8, 2447318, 2449061</p>
<p>Commercial Bank of Ceylon PLC Commercial House, 21, Sir Razik Fareed Mawatha, Colombo 01 T: +94 11 2445010-15, 238193-5, 430420</p>	<p>Deutsche Bank AG 86, Galle Road, Colombo 03 T: +94 11 2447062, 2438057</p>
<p>Hatton National Bank PLC HNB Towers, 479, T. B. Jayah Mawatha, Colombo 10 T: +94 11 2664664</p>	<p>The Hong Kong and Shanghai Banking Corporation Limited 24, Sir Baron Jayathilake Mawatha, Colombo 01 T: +94 11 2325435, 2446591, 2446303</p>
<p>People's Bank (Head Office) 5th Floor, Sir Chittampalam A Gardiner Mawatha, Colombo 02 T: +94 11 2781481, 237841-9, 2446315/6</p>	<p>Standard Chartered Bank 37, York Street, Colombo 01 T: +94 11 4794400, 2480000</p>
<p>Sampath Bank PLC 110, Sir James Peiris Mawatha, Colombo 02 T: +94 11 5331441</p>	<p>State Bank of India 16, Sir Baron Jayathilake Mawatha, Colombo 01 T: +94 11 2326133-5, 2439405-6, 2447166</p>
<p>Seylan Bank PLC Level 8, Ceylinco Seylan Towers, 90, Galle Road, Colombo 03 T: +94 11 2456789, 4701812, 4701819</p>	<p>Union Bank of Colombo Limited 64, Galle Road, Colombo 03 T: +94 11 2370870</p>
<p>Nations Trust Bank PLC 256, Sri Ramanathan Mawatha, Colombo 15 T: +94 11 4313131</p>	<p>National Savings Bank 255, Galle Road, Colombo 03 T: +94 11 2573008-15</p>
<p>Pan Asia Banking Corporation PLC (Head Office) 450, Galle Road, Colombo 03 T: +94 11 2565565</p>	<p>Public Bank Berhard 340, R.A. De Mel Mawatha Colombo 03 T: +94 11 2576289</p>

Selected HNB Branches

<p>Aluthkade 31, 33, 35, Quarry Rd, Colombo 12 011-2445042 aluthkad@hnb.lk</p>	<p>Anuradhapura 38, Maithreepala Senanayake Mw, Anuradhapura 025-2222474 anuradha@hnb.lk</p>
<p>Badulla 15, 15 1/1, Udayarajah Mw, Badulla 055-2222991 badulla@hnb.lk</p>	<p>Bambalapitiya 285, Galle Rd, Colombo 04 011-2501698 bamba@hnb.lk</p>
<p>Bandarawela 70, Dharmavijeya Mw, Bandarawela 057-2230584 bandaraw@hnb.lk</p>	<p>Batticaloa 120-22, Bazaar Street, Batticola 065-2222813 batti@hnb.lk</p>
<p>Boralesgamuwa 24, Maharagama Rd, Boralesgamuwa 011-2516533 boralesg@hnb.lk</p>	<p>Borella 53/1, D S Senanayake Mw, Borella, Colombo 09 011-2696929 borella@hnb.lk</p>
<p>Chilaw 105, Chilaw Rd, Chilaw 032-2223271 chilaw@hnb.lk</p>	<p>Cinnamon Gardens 251, Dharmapala Mw, Colombo 07 011-2681718 cinnamon@hnb.lk</p>
<p>City Office 16, Janadhipathi Mw, Colombo 01 011-2421466 hnbcity@slt.lk</p>	<p>Dambulla 700/B, Anuradhapura Rd, Dambulla 066-2284819 dambulla@hnb.lk</p>
<p>Dehiwela 196, Galla Rd, Dehiwala 011-2723362 dehiwela@hnb.lk</p>	<p>Galle 3, Wackwella Rd, Galle 091-2232248 galle@hnb.lk</p>
<p>Gampola 12, Kandy Rd, Gampola 081-2351974 gampola@hnb.lk</p>	<p>Grandpass 182, St. Joseph's Street, Colombo 14 011-2332723 grandpa@hnb.lk</p>

<p>Greenpath 38 & 38A, Ananda Coomaraswamy Mawatha, (Greenpath), Colombo 03 011-5382310 greenpath@hnb.lk</p>	<p>Head Office Branch 479, T B Jayah Mw, Colombo 10 011-2660160 hobbr@hnb.lk</p>
<p>Homagama 71, Highlevel Rd, Homagama 011-2857126 homagama@hnb.lk</p>	<p>Horana No.153, Anguruwatota Rd, Horana 034-2261595 horana@hnb.lk</p>
<p>Ja-Ela 73, Old Negombo Rd, Kanuwana, Ja-Ela 011-2232752 jaela@hnb.lk</p>	<p>Jaffna 212, 214, Hospital Rd, Jaffna 021-2222787 jaffna@hnb.lk</p>
<p>Kadawatha Weerasekara Building, 335, 357/1, Kandy Rd, Kadawatha 011-4813602 kadawath@hnb.lk</p>	<p>Kaduwela 496/A, Awissawella Rd, Kaduwela 011-2579467 kaduwela@hnb.lk</p>
<p>Kandy 01, Dalada Veediya, Kandy 081-2224204 kandy@hnb.lk</p>	<p>Kiribathgoda 141, Kandy Rd, Kiribathgoda 011-2914414 kiri@hnb.lk</p>
<p>Kirullapone 22, Edmonton Rd, Colombo 06 011-2513299 kirula@hnb.lk</p>	<p>Kohuwala 179, Dutugemunu Street, Kohuwala 011-2825180 kohuwela@hnb.lk</p>
<p>Kollupitiya 293, Galle Rd, Colombo 03 011-2576763 colpetty@hnb.lk</p>	<p>Kotahena 280, George R De Silva Mw, Colombo 13 011-2472068 kotahena@hnb.lk</p>
<p>Kottawa 35/1, Highlevel Rd, Kottawa 011-2846082 kottawa@hnb.lk</p>	<p>Kotte 1424, Kotte Rd, Rajagiriya 011-2866864 kotte@hnb.lk</p>
<p>Kurunegala 6, St Anne's Street, Kurunegala 037-2223246 kurunega@hnb.lk</p>	<p>Maharagama 145, Colombo Rd, Maharagama 011-2851468 maharag@hnb.lk</p>

<p>Mannar 68, Main Street, Mannar 023-2222154 mannar@hnb.lk</p>	<p>Matale 58D, Esplanade Rd, Matale 066-2224409 matale@hnb.lk</p>
<p>Matara 58D, Esplanade Rd, Matara 041-2222588 matara@hnb.lk</p>	<p>Moratuwa 143/1, New Galle Rd, Moratuwa 011-2647345 moratuwa@hnb.lk</p>
<p>Mount Lavinia 605, Galle Rd, Mt. Lavinia 011-2739121 mount@hnb.lk</p>	<p>Mutwal 523, Ferguson Rd, Colombo 15 011-2525433 mutwal@hnb.lk</p>
<p>Narahenpita 255/2, Kirula Rd, Colombo 05 011-2365433 narahren@hnb.lk</p>	<p>Nawala 10/5, Narahrenpita Rd, Nawala 011-4852317 nawala@hnb.lk</p>
<p>Negombo 18, Rajapakse Broadway, Negombo 031-2222585 negombo@hnb.lk</p>	<p>Negombo Metro 201, Colombo Road, Negombo 031-2244000 negombo.metro@hnb.lk</p>
<p>Nelliady 30, Point Pedro Rd, Nelliady 021-2264149 nellioady@hnb.lk</p>	<p>Nittambuwa 22, Kandy Rd, Nittambuwa 033-2287462 nittambu@hnb.lk</p>
<p>Nugegoda 181, High Level Rd, Nugegoda 011-2828981 nugegoda@hnb.lk</p>	<p>Nuwara Eliya 42, Queen Elizabeth Drive, Nuwara Eliya 052-2222348 nuwarael@hnb.lk</p>
<p>Panadura 402, 404, Galle Rd, Panadura 038-2235249 panadura@hnb.lk</p>	<p>Panchikawate 168, Panchikawatta Rd, Colombo 10 011-2327143 panchi@hnb.lk</p>
<p>Pettah 149-151, Main Street, Colombo 11 011-421829 pettah@hnb.lk</p>	<p>Piliyandala 63, Moratuwa Rd, Piliyandala 011-2614111 piliyan@hnb.lk</p>

<p>Polonnaruwa 467, Main Street, Kaduruwela, Polonnaruwa 027-2223326 polon@hnb.lk</p>	<p>Ratnapura 9, Senanayake Mw, Rathnapura 045-2222374 ratnapur@hnb.lk</p>
<p>Sea Street 60, Sea Street, Colombo 11 011-2439635 sea_st@hnb.lk</p>	<p>Thalangama 253, Kaduwela Rd, Koswatte, Thalangama 011-2788430 talangam@hnb.lk</p>
<p>Thalawathugoda 715, Pannipitiya Rd, Thalawathugoda 011-2774194 thalapay@hnb.lk</p>	<p>Tissamaharama 118, Hambantota Rd, Tissamaharama 047-2237707 tissa@hnb.lk</p>
<p>Tricomalee 59, Ehamparam Rd, Tricomalee 026-2222572 trinco@hnb.lk</p>	<p>Vavuniya 43, Inner Circle Rd, Vavuniya 024-2222668 vavuniya@hnb.lk</p>
<p>Wattala 270, 270/1, Negombo Rd, Wattala 011-2931385 wattala@hnb.lk</p>	<p>Wellawatte 100, 102, Galle Rd, Colombo 06 011-2588702 wellawatt@hnb.lk</p>
<p>Wennappuwa 39, Chilaw Rd, Wennappuwa 031-2253063 wennappu@hnb.lk</p>	

ANNEX IV – FATCA DECLARATION

Manager

Hatton National Bank PLC

.....

I/We

.....

and

of (address).....

holder/s of Passport Number/NIC Number..... , who fall under the definition of a US Persons under the provisions of the Foreign Account Tax Compliance Act (“FATCA”) which is a US legislation aimed at preventing tax evasion by US persons through overseas assets. I/We confirm that I/We understand FATCA is extraterritorial by design and requires “US Persons” to report their financial assets held overseas.

I/We hereby request Hatton National Bank PLC which is recognized as a Foreign Financial Institutions (FFIs) in terms of the FATCA to report all information pertaining to the accounts and investments held by me/us in the Hatton National Bank PLC and to remit any tax payable to the Internal Revenue Service (IRS) of the United States of America.

I/We further confirm that this request is made by me/us with full knowledge and understanding of FATCA.

Date:

.....

Signature/s of Applicant/s

